

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF THE NORTH MERCER)	
WATER DISTRICT TO ISSUE SECURITIES IN)	
THE APPROXIMATE PRINCIPAL AMOUNT OF)	
\$1,215,000 FOR THE PURPOSE OF REFUNDING)	CASE NO. 95-557
CERTAIN OUTSTANDING REVENUE BONDS OF)	
THE DISTRICT PURSUANT TO THE PROVISIONS)	
OF KRS 278.300 AND 807 KAR 5:001)	

O R D E R

On December 11, 1995, North Mercer Water District ("North Mercer") filed an application requesting authority to issue certain securities in the approximate principal sum of \$1,215,000 for the purpose of refunding certain outstanding water system revenue bonds. North Mercer estimates this refunding will result in total gross savings of approximately \$643,376 which represents a net present value savings of \$143,782.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that North Mercer's proposal to issue \$1,215,000 of Series 1996 Bonds is for a lawful object within North Mercer's corporate purposes, is necessary, appropriate for and consistent with the proper performance of its service to the public, will not impair North Mercer's ability to perform that service, and is reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that:

1. North Mercer is authorized to issue \$1,215,000 of Series 1996 Bonds, at an interest rate between 4.15 percent and 5.95 percent per annum.

2. North Mercer shall issue its proposed Series 1996 Bonds only on such terms that will result in a positive net present value savings and which are consistent with its application.

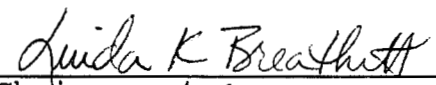
3. North Mercer shall, within 30 days after issuance of the securities, advise the Commission in writing of the date or dates of issuance of the securities, the price paid, the interest rate, the purchasers, and all fees and expenses, including underwriting discounts, commissions, and any other compensation involved in the securities' issuance and distribution.

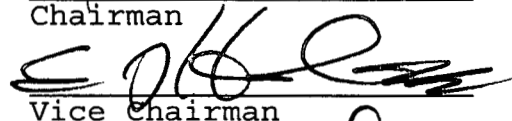
4. The proceeds from the transactions authorized herein shall be used only for the lawful purposes specified in North Mercer's application.

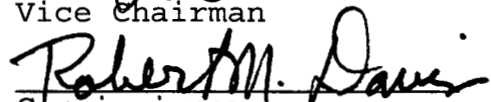
Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 18th day of January, 1996.

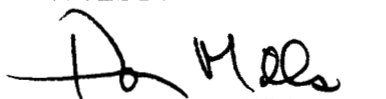
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director